GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:1585
ANSWERED ON:03.08.2005
SCHEME FOR REDEMPTION OF STATE LIABILITIES
Singh Shri Mohan

Will the Minister of PLANNING be pleased to state:

(a) the extent of internal loan of the Union Government and its financial institutions outstanding against various States along with the State-wise details thereof;

(b) the schemes drawn up by the Government to bail out the States of their debt;

(c) whether the Government is contemplating any scheme to redeem the States of their old liabilities by offering them interest free new loans;

(d) if so, the details in this regard;

(e) the largest indebted State of the country along with the reasons therefor; and

(f) the per capita internal debt of State Governments together with that of the Central Government?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a): Loans from the Union Govt. to States primarily consist of Plan loans by Ministry of Finance. Additionally, there are some small savings loans given before 1999, Medium Term Loans and loans consolidated earlier. A total amount of Rs.155147.76 crores was outstanding as on 31st March 2005 against the States for loans provided by Ministry of Finance. State-wise details are at Annexure `A`.

(b): Government of India had allowed the States to swap their high cost loans carrying rate of interest of 13% and above under Debt Swap Scheme. Rs.102033.59 crores of high cost loans were swapped during 2002-05.

Central Government has also accepted the recommendations of the Twelfth Finance Commission (TFC) to consolidate all Government of India loans given to States before March 31, 2004 and outstanding on March 31, 2005 in a new twenty year loan at 7.5% interest and waiver of outstanding GOI loans subject to State`s adopting Fiscal Responsibility Law.

This Scheme would benefit the States with lower interest of Rs.21275.65 crores, lower repayment of Rs.11928.91 crore and debt waiver of Rs.32198.69 crores during 2005- 10, if the States meet the necessary conditions.

(c): No, Sir.

(d): Does not arise.

(e): Uttar Pradesh has the largest portfolio of outstanding loan against loans provided by Ministry of Finance. This is due to backwardness and larger population of the State.

(f): The per capita internal debt of the State Governments together with that of the Central Government was Rs.17618/- as at March, 2005 (BE).

ANNEXURE - A

STATEMENT INDICATING AMOUNTS OUTSTANDING AS ON 31.03.2005 AGAINST STATES FOR LOANS PROVIDED BY MINISTRY OF FINANCE

(Rs. in crores)

Name of the State	Amount

1. Andhra Pradesh 15889.70

2. Arunachal Pradesh 468.80

3. Assam 2336.45

4. Bihar 8984.81

5. Chhattisgarh 2297.46
6. Goa 750.26

7 Gujarat 11269.93

8. Haryana 2206.60

9. Himachal Pradesh 1029.69
10.Jammu & Kashmir 2215.30
11.Jharkhand 2898.70
12.Karnataka 8697.95
13.Kerala 5298.11
14.Madhya Pradesh 8874.97
15.Maharashtra 8253.54
16.Manipur 1437.66
17.Meghalaya 359.30
18.Mizoram 330.22
19.Nagaland 373.53
20.Orissa 9037.54
21.Punjab 7182.29
22.Rajasthan 7627.98
23.Sikkim 217.86
24.Tamil Nadu 6290.23
25.Tripura 524.62
26.Uttar Pradesh 24094.70
27.Uttaranchal 391.69
28.West Bengal 15807.89

TOTAL 155147.76